



GENERAL SERVICES ADMINISTRATION

[Notice-QDA-2012-01; Docket No. 2012-0002; Sequence 17]

Multiple Award Schedule (MAS) Program Continuous Open

Season-Operational Change

AGENCY: Federal Acquisition Service, GSA.

ACTION: Notice with a request for comments.

SUMMARY: The General Services Administration (GSA), Federal Acquisition Service (FAS) intends to institute a Demand Based Model (DBM) designed to assess and improve the performance of the Multiple Award Schedule (MAS) contracts operated by GSA. GSA is proposing this operational change to enhance the performance of and modernize the MAS program in three key program areas: small business viability, operational efficiency, and cost control. The DBM will realign suppliers under the MAS program with current Federal marketplace demands. This will result in directing suppliers, including small businesses, to where government procurement needs are; thereby having a supplier base more focused on providing innovative solutions to address the procurement needs of the government, especially under these current fiscal challenges. Operational efficiencies and cost control thus realized will restore and maintain the MAS program's value to Federal agencies as a streamlined acquisition vehicle through reduction in duplicative contracts, better contract administration support by GSA as

well as other increased levels of customer support from GSA. Additionally, DBM is intended to benefit participating members of industry, including small businesses, by improving processing time for awards, modifications and contract options, and improving supplier relationship management. Implementing the DBM will allow GSA and suppliers to focus on the ongoing modernization of the Schedules aimed at adding innovative solutions, improving pricing and simplifying the buying experience.

DATES: This change in operations will become effective
[Insert date 60 days after publication in the Federal Register.]

Comment Date: Interested parties should submit written comments to the Regulatory Secretariat at one of the addressees shown below on or before **[Insert date 30 days after publication in the FEDERAL REGISTER]**. This will allow GSA sufficient time to consider the comments prior to the effective date of this notice.

ADDRESSES: Submit comments in response to Notice-QDA-2012-01 by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for "Notice-QDA-2012-01". Select the link "Submit a Comment" that corresponds with "Notice-QDA-

2012-01." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "Notice-QDA-2012-01" on your attached document.

- FAX: (202) 501-4067.
- Mail: General Services Administration, Regulatory Secretariat (MVCB), ATTN: Hada Flowers, 1275 First Street, NE., 7th Floor, Washington, DC 20417.

Instructions: Please submit comments only and cite Notice-QDA-2012-01, in all correspondence related to this case.

All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mrs. Angela Lehman, telephone 703-605-9541, email DemandBasedModel@gsa.gov.

SUPPLEMENTARY INFORMATION: Over the last 20 years, the MAS program has expanded to encompass 31 Schedules with over 19,000 federal contractors and generally, has operated under continuous open solicitations or "seasons" to receive new offers. Additional information about the MAS program is available at www.gsa.gov/schedules

Over time certain offerings and suppliers under the MAS program have not aligned with the procurement needs of the government. FAS projects that well over 50 percent of

the MAS contracts awarded in 2011 will not have significant sales, and FAS will spend millions of dollars to support and manage such low/no sales contracts. Additionally, the Government estimates that industry incurs significant costs in applying for and maintaining Schedules contracts.

To mitigate the costs and burdens associated with the current process while maintaining the benefits of a program that facilitates easy access to cost-effective competitive small and large businesses, FAS is proposing to modify its current practice of a continuous open season for all Schedules to a practice whereby the Schedules will be individually assessed to determine whether a continuous open season should continue or whether one of the variations described below would be suitable.

GSA's plan for moving to a demand based model is built around careful analysis before any action is taken and continually monitoring the government's procurement demands. The tentative plan, which GSA seeks comment on before finalizing, includes the following steps:

1. GSA will assess each Special Item Number (SIN) level requirements from the standpoint of Federal demand, existing sources, sales performance under existing contracts, changing market dynamics, socio-economic considerations, and other available data.

2. Based on the assessment, GSA would determine whether to maintain a continuous open season for an entire Schedule, maintain a continuous open season for only certain SINS on a particular Schedule, or close the Schedule or certain SINS on the Schedule on a temporary basis to new offers.

3. GSA would publish its decision with regard to the affected Schedule or SIN, in FedBizOpps. This might include, without limitation; maintaining a continuous open season for the Schedule or SIN; a temporary closure of the Schedule or SIN; temporarily re-opening after a decision to close the Schedule or SIN temporarily; merging the Schedule or SIN into one or more other Schedules or SINS; or the cancellation of the Schedule or SINS.

4. Each temporary closure of a Schedule or SIN would be published in FedBizOpps no fewer than 30 days prior to the effective date of the temporary closure. During the interim period, new offers for Schedule contracts and modification requests to add SINS to existing contracts would be received and processed in the usual manner. No new offers would be accepted after the effective date of the temporary closure, except, contract holders may, during or after the last year of their third contract option period, submit an offer for a new contract.

5. For any Schedule or SIN that is closed temporarily, the Schedule or SIN would be assessed periodically and would re-open (via an open season) at least once every 3 years. The open season would be published in FedBizOpps effective immediately upon publication. In case of cancellation or merger of a Schedule or SIN, affected MAS solicitations would be amended (refreshed), and affected contracts would be cancelled or modified accordingly.

The DBM is not intended to affect contracts or orders awarded prior to a temporary closure. Holders of valid contracts under Schedules or SINS that were open when the contract was awarded but which are later closed temporarily under DBM would continue to be able to seek, accept, and perform orders through the end of their contract's current period of performance. Decisions on whether to exercise any remaining option periods on such contracts would be made in the usual manner.

This measured approach will create a more effective environment for managing the Schedules Program. It will also create a healthier business environment for current and prospective suppliers. Combined with tools such as order set-asides, authorized by section 1331 of the Small Business Jobs Act, the Schedules Program should be even

more successful in meeting its obligation to maximize opportunities for its small business partners and is fully committed to providing them with the help they need to win work.

GSA is seeking comments, especially from small businesses. Detailed and comprehensive responses are appreciated to ensure that GSA fully understands the comments. GSA encourages comments that address specific operational implementation recommendations and responses to the specific questions below:

1. There are a wide range of considerations GSA should employ in determining whether additional capacity is needed on a certain Special Item Number (SIN). This includes considerations such as number of contracts, sales trends, average sales per contractor, geography, socio-economic status on the SIN, degree of innovation in the industry, and views from other Federal Agencies. What else should GSA consider in making this decision?

2. How much advance notice should GSA provide before making a decision for temporary closure? What business factors drive the amount of notice needed?

3. Once GSA makes an announcement for temporary closure, there is potential for a high number of new offers before the effective date of the temporary closure. It is

highly likely that nearly all of these offers will not generate business. What should GSA do with offers received in this window?

4. To help industry best plan, should GSA's reassessment be conducted annually, every two years, or every three years? What actions can GSA take to assist industry with planning? For example, is it better to know with certainty when a schedule or SIN will reopen even if that means the duration of closure is longer, or is it better for GSA to take a shorter term view of the question?

5. Currently, over 50 percent of schedule contracts will not meet the sales retention criteria. Is reducing this percentage to 30 percent an appropriately aggressive interim goal?

6. Are there other considerations on how to ensure minimum impact to industry with the implementation?

Dated: July 18, 2012

Houston Taylor,
Assistant Commissioner,
Office of Acquisition Management, Federal Acquisition
Service, General Services Administration.

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